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OGC Has Reviewed

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27 February 19

MEMORANDUM FOR DEPUTY DIRECTOR

Via: Executive for P&A

Subject: Project for [REDACTED] Liaison Officer

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1. Set forth below is information which we believe should be considered in establishing the project for the [REDACTED] liaison officer. As we understand it, it is planned to appoint to that office an officer on active duty. Consequently, he will receive all normal military pay and allowances, including 10% overseas differential. War Department today informed us that it is planned to provide an additional \$4.00 per diem for [REDACTED] \$2.00 of which will represent extra quarters allowance and \$2.00 additional subsistence.

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2. Our problem is to provide supplementary allowances to enable the CIG representative to carry on his official duties in a manner consistent with his mission. Since this is roughly comparable to the mission of a military attaché, it is felt that the rules pertaining to maintenance and entertainment allowances of attachés could properly be applied to our situation. In the War Department these vary from station to station depending on the intelligence potential, the number of persons on the job, and the additional cost of living at each post. In [REDACTED] the maintenance allowance for the military attaché is \$250 per month, normally in equal monthly installments. This allowance is fully accountable, and all expenditures must be supported by receipts. The normal items are such expenses as heat, light, rent, extra domestic help, necessary official club dues and the like. So far as additional rent goes, the individual may apply his maintenance allowance only after applying all normal military allowances for quarters; i.e., if the rent were \$250 a month, a Colonel would first deduct from that his normal \$120 rental allowance. If the \$4.00 per diem is authorized, he would then deduct \$2.00 a day, representing the maintenance part of the per diem, which, on a 30-day basis, would be \$60.00, making a total deduction of \$180 and leaving \$70.00 to be applied properly as extra rental under the maintenance allowance.

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3. Normally, no advance of succeeding months' allotments is permissible under the maintenance allowance. However, recently War Department has approved that where heavy expenses must be met at the beginning of the term when there has been no chance to accrue a surplus, such as expenses for a whole winter's coal, this may be paid at one time and the excess payments charged in installments against later months' allowances. Thus, if the first month's total maintenance extras amounted to \$400, there would be an excess of \$150 over that month's allowance, which could be paid off by charging the next ten months at \$15.00, provided the carry-over did not come into the succeeding fiscal year.

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4. A military attache in [REDACTED] is allowed a basic sum of \$250 for entertainment, to which is added a percentage for additional cost of living, which in [REDACTED] is 10%, or \$25.00, making a total of \$275.00 a month. This allowance is normally allocated on the theory that the heavy entertainment expenses come in the month of July. Approximately 2/13ths of the annual total is allocated to July, and the 11/13ths remaining are spread equally over the rest of the year. This would come in round numbers to \$650 for July, and \$250 for the other months. Here no advances from succeeding months are permitted, but any surplus may be carried over for use up to the end of the fiscal year. Entertainment expenses must be accounted for in detail.

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5. There is one consideration for which we might have to make provision for our liaison officer, which involves the attache's control of all entertainment expenses in his office. He is allowed so much for each member of his staff in addition to the basic \$250 allowed to himself. Originally, these additional allowances were rigidly apportioned to the staff, but at present the attache may lump them together as a whole and apportion them as he sees fit. Thus, assuming that General Bissell gets \$29,000 odd per year for entertainment of his office, he can theoretically spend it all himself at the rate of \$2,000 per month. Obviously, he does not do this, but on certain occasions, as for instance the 4th of July when he is obliged to give a large entertainment on behalf of all his staff, he probably puts in an accounting on his own account in excess of the \$275 specified as his own allotment. It is true, therefore, that General Bissell's

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personal entertainment account may run substantially over \$275 a month, but it must be remembered that this is partly because the size of his organization makes for a different type of entertainment problem.

6. Therefore, it would seem appropriate to give the CIG liaison officer initially not more than \$275 a month and wait, for perhaps six months' experience, to see whether there is any great inadequacy in comparison with the military attache's outlay. Inasmuch as the nature and purpose of his contacts will be somewhat different from those of the attache, it is felt that he will less often incur large-scale entertainment obligations. Incidentally, War Department regulations require entertainment to be for foreigners, or that at least one foreigner be present. Obviously, Americans are frequently included, but we should hold to the same principle that the reason for allowing entertainment expenses is the necessity of entertaining non-citizens.

7. It is considered desirable to include in the project an estimate of operational supplies, although it will probably require the experience of several months to make this estimate conform to actual needs. In all probability, therefore, the project as a whole will have to be reviewed after being in operation several months and necessary revisions made and approved. Transportation, office space, secretarial assistance, etc., can, however, be set up and included in the original project.

LAWRENCE R. HOUSTON
General Counsel

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